
RISKY BUSINESS

— News and Notes on the Actuarial Science Program —

Department of Mathematics

SPRING 2014

The University of Texas at Austin

Welcome!

Welcome to another issue of Risky Business, the Official Newsletter of the Actuarial Program at UT Austin. In this issue we will tell you about program updates, student activities, and provide career information.

This newsletter's contents contain only a small testament to the lengths that fellow students and professionals will go to help aspiring actuaries. The extensive alumni network, the amazing staff and faculty to which UT students have access, and the wonderful community of students old and new is what makes this program and this profession so great.

This semester we have seen an increase in support from various firms and alumni who have come to recognize our program's ability to provide actuarial students with a strong background. This support has come in the form of career support, as well as scholarship. With such a vast and experienced background, our program truly gives actuaries the tools they need to succeed and will continue to in the coming semesters!

~ Nicholas Blekas, Editor

Fun at the Forty Acres Fest!

(Event Article Pg. 6)



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From the Editors

As always, we greatly appreciate the help of Xin Lian, Kylie Chesser, John Stark and Juan Gonzalez for their contribution to this issue of *Risky Business*. We are thankful for the combined efforts of the writers, and interviewees. As the program grows and it is great to see the initiative taken by our students.

Now in our third semester as editors, we are proud to continue to speak on behalf of this great program about the progress it makes every semester. We look forward to continued growth of the Actuarial Science Program here at UT in each of the coming semesters!

~ Nicholas Blekas, Jason Rossiter

ACF 329 TA Sessions

Passing exams is the most important task for young actuaries, and is one that requires intense motivation and dedication. Even though the University of Texas teaches classes aimed at preparing students for exams and the Actuarial Science Club is able to provide study manuals, the exam process is not an easy one. However, two years ago Lindsay McDowell, former Actuarial Science Club President looked to form an unofficial tutoring session to help underclassmen study for Interest Theory, ACF 329, and prepare for the FM exam. Since then, the session has expanded immensely.

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Actuarial Career Tracks: Insurance or Consulting?

Insurance or consulting? Which is better? These are asked often, but they are not the right questions. Both fields have pros and cons, and the myths in comparing them can be misleading. However, the matter is anything but black and white. An actuary must instead evaluate personal preferences and take a calculated risk in choosing his or her field.

“Consulting and insurance actuarial students use similar software and perform similar tasks in their day-day job,” says Emily Kunkel, a former UT Actuarial Science Club President and currently an actuary with experience in both insurance and consulting.

“The main difference between consulting and insurance is ... [that] insurance actuaries work on internal projects,” Kunkel explained. “Consulting actuaries perform work for external clients, each with their own set of issues.”

Consulting, for example, requires travel time and professional visibility because consultants act as liaisons between clients and firms. A typical consultant could spend more time abroad than in the office, as clientele reach is global. It is important to keep in mind that business travel can be much less fun than traveling for pleasure.

“Consulting actuaries need to be able to interact and work well with clients,” Kunkel said. “Someone with an outgoing personality would be well suited to go into the consulting field. Travel is also more common in the consulting field, but the amount of travel varies a lot among consulting firms.”

Consultants also typically receive higher pay, with stipulations: consulting work is more seasonal and less reliable, and bills hourly (rather than a salary from an insurance company). Consultants generally work more hours and late nights.

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Risky Business

New Course, M375T: Generalized Linear Models Follow-Up

Professor Thomas Struppeck, Tulane University and The University of Texas at Austin graduate, is teaching a new course, M 375T, entitled Generalized Linear Models this semester. *Risky Business* interviewed Professor Struppeck about the course in the Fall 2013 issue, so it is only right to follow up with a report on the progress Professor Struppeck has made.

As a review or introduction for those unfamiliar with the course, the purpose of M 375T is to teach techniques for predictive modeling using generalized linear models. Since values in a probability distribution must be between zero and one, linear models that exist outside that area must be manipulated into the best model for the data. The class utilizes the R language for data analysis and covers real-world know-how for actuaries as opposed to teaching exclusively to an actuarial exam.

For those interested, Professor Struppeck intends to teach Generalized Linear Models again in the Spring of 2015. Currently, Professor Struppeck is slated to teach M 339J next semester.

How is the class going?

The class is going well.

Are there any areas where students are progressing better than expected?

I was very happy to see that the students were able to get through the preliminary material more quickly than I had expected. This will allow us to get cover a couple of additional topics.

Worse?

I underestimated the student preparedness, so that was on me.

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Interview with Allen F. Jacobson, Jr.: USAA Endowment Fund Donor

When was the Allen F. Jacobson, Jr. Fund for Excellence created?

I believe it was created in 2004.

What were your motives for creating the fund?

UT has been very good to me, and I wanted to give back to an institution that had given so much to me. I had the opportunity to attend as an undergraduate and later earn my MBA at UT. The school has been instrumental in my career and I am grateful for the opportunities it gave me.

Among other things, the Actuarial department at UT uses part of your funds to reach out to students attending schools in rural areas and increase the awareness of the actuarial profession. Are there any specific activities you want to encourage?

The money was given with no strings other than it be used for the Actuarial program. Dr. Daniels and now Dr. Maxwell know better what the program needs than I ever would. They have each kept me apprised periodically of how the money is being used. I have always been happy with what they have done with it.

When picking a career, what made you decide to become an actuary and how did you find out about the profession?

I first heard about the career from my dad while having lunch at our favorite Chinese restaurant in Minneapolis. I wanted a career in business. The opportunity to use my math skills in what appeared to be a challenging field was very appealing. The Actuarial program existed at UT where I was already a student. The program gave me a huge leg up in entering the field and taking the exams.

How would you describe being an actuary? What part do you find most challenging? What do you find most enjoyable?

I would describe being an actuary as regularly challenging, ambiguous math word problems and then having to explain to math and non-math people why they should care about the problem and its solution. Most of us who enter the profession love doing the first part of that description. Those who can do and learn to love doing the second part tend to be more successful in the profession. The most enjoyable part of my job is when I succeed in getting others to change how they think about an issue or the business. The most challenging part is that I never have enough time to work on all the problems and issues I would like to tackle.

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“There are consulting opportunities in Life, P&C [Property & Casualty], Health, and Pensions. Insurance opportunities tend to be in Life, P&C, or Health,” says Kunkel. “My advice to someone looking for an internship or entry level job is to be open to either consulting or insurance. Interview at both types of companies and try to figure out which would be the best fit. Also, not all companies within a particular field are the same. Use the interview as an opportunity to determine if both the company and field are a right fit for you.”

Kylie Chesser
Contributor, Junior
Exam P Passed

ASC On Facebook!

As one of our campus relations initiatives, the actuarial program would like to invite you to join our Actuarial Science Facebook page! We hope to use this platform as a way to keep communication strong for students who need advice from those who have been there. Included is a link to the page for any actuarial science students looking to get connecting with others in the program!

<https://www.facebook.com/groups/155626557888005/>

Or search: "Actuarial Science" on Facebook

(Continued from Pg. 3)

Is demand for actuaries increasing in recent years?

In the insurance fields demand does seem to be increasing. The recent financial crisis appears to have focused the financial industry and its regulators on risk quantification and management. This focus should drive more need for actuaries. It also always helps when the economy is doing better, as it is now.

As a senior actuary, what advice would you give a student studying actuarial science?

The actuarial field is technically and intellectually challenging. When you start out, the amount of material you need to learn can be overwhelming. But don't forget that like every other business, it is also a people business. Act with others in a way that people can trust you and rely on you. Learn to work effectively with others and be able to communicate with them.

Juan Gonzalez
Contributor, Junior
Active actuarial science club member

(Continued from Pg. 2)

Is there any material that you feel should be included that wasn't?

Next time the class is offered, the addition sections that we cover will explicitly be on the syllabus.

What portion of the course seems to be interesting the students the most?

The students seem to like using the R language to explore data, and I expect to weave more of that into the class next time it is offered (I plan to offer it again Spring 2015.)

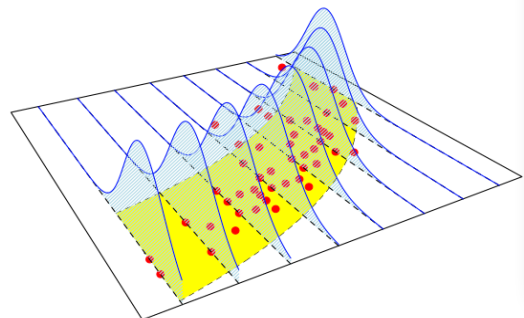
Do you plan to tweak the curriculum for future of the iterations of the course?

The additional topics that are being added are related to time series. [Time series analysis is the process of finding meaningful statistics from data recorded at successive points of time typically each a uniform length of time apart.]

Have you learned anything new or had to relearn anything from preparing and teaching the course?

I learn something new every time I teach a class!

Jason Rossiter
Editor, Second Year
Exam P, FM Passed



Actuarial Science Club



Background

The Actuarial Science Club is a student organization which serves to connect actuarial students and give them the tools they need to succeed in networking. Weekly meetings consist of employer presentations, as well as presentations about various topics which are present in the career. Some examples of topics touched on include excel workshops, resume building, and networking advice. By connecting UT's actuaries the actuarial science club helps students prepare for classes, exams and careers. It is truly a valuable asset of the program as a whole.

Forty Acres Fest!

This semester, Actuarial Science Club members Juan Gonzales, Judy Luu, and John Stark, as well as the club's officers, manned a table in the South Mall for the University's 22nd annual Forty Acres Fest. This exciting event, headlined by world famous musical acts Quiet Company and Sleigh Bells, included over 200 student organizations—one being the Actuarial Science Club—as well.

The day started slowly; however, students quickly began flocking to the club's booth, often having to wait in line in order to participate in card games, dice-themed bean bag tosses, rubber ducky tic-tac-toe, and a gift card raffle.

Actuarial Science Club activities are always great occasions to bond with your fellow club members, as well as to tell the world what exactly it is that actuaries do. So many great opportunities rolled into one action-packed event: what are the odds of that?!

John Stark
Contributor, Sophomore
Exam P Passed

Fall 2014 Officers

(Left to Right)

Financial Director: Trevor VanOsselaer
Risky Business Liaison: Jason Rossiter
President: Kevin Gregory
Vice President: Alex Shirsat
Administrative Director: Jessica Hastings
Events Coordinator: Stacy Liu



ACF 329 TA Sessions

(Continued from Pg. 1)

Jeffrey Shen and Steven Minkus, two actuarial students, are hosting the session this semester. The format is mainly Q&A based; students can bring problems from FM practice material or the Interest Theory course and solve them together with tutors.

Jeffery also gives out useful tips on studying. In order to improve students' performance in the real exam situation, Jeffrey suggests taking mock exams. He plans to collect some basic practice exams and organize a mock exam every week next semester. Lastly, Jeffrey says he will also come up with different ideas to ensure students are fully utilizing the tutoring session.

Xin Lian
Contributor, Junior
Exam P Passed



Actuarial Science Spring 2014 Scholarships

Recurring Scholarships

Actuaries Club of the Southwest Actuarial Scholarships

Zongkang Liu
Judy Luu

Ashley and Mark Guajardo Actuarial Scholarship

Jyotsana Agarwal

Milliman Standard of Excellence Scholarship

Nick Blekas

New Era Life Insurance Scholarship

Long Wu

Rudd and Wisdom Actuarial Studies Scholarships

Oluwafemi Adunbarin
Kylie Chesser
Steven Minkus
Jeffrey Shen
Janine Stallings
Justine Weng
Yue Xu

Troncoso Consulting Group Scholarship

Dengjia Liu

USAA Property and Casualty Scholarship

Jyotsana Agarwal
Jason Rossiter

USAA Life Insurance Scholarships

Nicholas Blekas
Kevin Gregory

Endowed Scholarships

Mark and Pamela Callahan Endowed Scholarship in Actuarial Studies

Yue Xu

James Morris Dial Endowed Scholarship in Actuarial Studies

Justine Weng

Bruce Fuller Jr. Endowed Scholarship in Actuarial Studies

Janine Stallings

John S. Rudd Jr. Endowed Scholarship in Actuarial Studies

(two awards fall 2013)

Eugene Wisdom Memorial Endowed Scholarship in Actuarial Studies

Jason Rossiter

